712
AID(US) & LIBYA

Department of State

TELEGRAM

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ACTION AF 15

INFO IGA 02, AID 28, PC 15, IO 15, E [illegible], COM 08, TRSY 08, HEW 07, SP 02, SC 01,
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DEPARTMENT OF STATE A/CDC/MR
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FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 2100
INFO AMEMBASSY BAIDA UNN
AMEMBASSYBENGHAZI UNN

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SUBJ: POST AID ASSISTANCE: MINISTRY OF INDUSTRY

REF: TRIPOLI 2130

1. APPROACH BY MINISTER INDUSTRY FOR US TECHNICAL ASSISTANCE REPRESENTS ONE MORE INDICATION POLICY BAKKUUSH GOVERNMENT TO TURN INCREASINGLY TO US. BARUUNI'S REF PEACE CORPS FURTHER REPRESENTS FIRST TIME WE HAVE HAD REQUEST AT MINISTERIAL LEVEL FOR PEACE CORPS ASSISTANCE OUTSIDE MINISTRY EDUCATION.

PAGE 2 RUQMT
2131 C O N F I D E N T I A L LIMITED OFFICIAL USE
2. MINISTRY INDUSTRY HAS TRADITION US ADVISERS AND IN 1965 UNDER AID-IIT CONTRACT TWELVE US CITIZENS WERE INVOLVED IN ACTIVITIES THIS MINISTRY. TODAY THERE IS ONLY ONE UNDER UN AUSPICIES.

3. FROM STANDPOINT DEVELOPMENT SIGNIFICANT BASE FOR PRIVATE ENTERPRISE AND STABILIZING ELEMENTS OF MIDDLE CLASS, MINISTRY INDUSTRY IMPORTANT. FURTHER MINISTRY'S

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INVOLVEMENT IN EXTENSIVE FOREIGN PURCHASES FOR LIBYAN INDUSTRIALIZATION HAS DIRECT BALANCE OFPAYMENTS APPLICATION.

4. WHILE WE WELL REALIZE HISTORY OF LIBYAN FOLLOW-UP TO PREVIOUS SUGGESTIONS USHAS MADE IS DISCOURAGING, WE FEEL CHANCES GENUINE CONCLUSION OF NEW ELEMENTS HAVE IMPROVED UNDER BAKKOUSH GOVERNMENT. WE HAVE EMPHASIZED IN OUR DISCUSSIONS NEED FOR PROMPT LIBYAN RESPONSE TO SUCH PROPOSALS AND NOMINATIONS AS WE MAY MAKE.

PAGE 3 RUQMTI 2131RSIG5. BARUUNI, IN CONVERSATION, STATED THAT HIGH L E PHLJQICNMBUPARIES#WAS STILL PROBLEM IN DIRECT RECRUITMENT, BUT HE DID NOT EXCLUDE POSSIBILITY THAT IN CERTAIN CASES OF MEN WITH EXCEPTIONAL QUALIFICATIONS COUNSIL OF MINISTERS MIGHT APPROVE PAY ABOVE CURRENT LIBYAN LEVEL FOR EXPATRIATES. BARUUNI ASKED WHETHER AGREEMENT UNDER WHICH US SUBSIDIZED ADVISERS WAS STILL IN EFFECT, BUT WE REMINDED HIM THIS HAD ENDED WITH PHASING OUT AID PROGRAM. WE STRESSED, HOWEVER, OTHER POSSIBILITIES SUCH AS IESC EXISTED AND WE HOPED GOL WOULD PERMIT FULL EXAMINATION THESE POSSIBILITIES.

6. WE BELIEVE THIS APPROACH, TOGETHER WITH APPROACHES IN HEALTH FIELD, GIVES US OPPORTUNITY IF WE FOLLOW-UP PROMPTLY TO CREATE WITHIN LIBYA EFFECTIVE US TECHNICAL ASSISTANCE PROGRAM FINANCED ALMOST ENTIRELY BY LIBYANS. NEWSOM

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